DATE: __/__/2024 Pak Affair's (M)(T)(W)(T)(F)(S)

Test #4

(Q2)

Root causes of inflation and unemployment in Pakistan? Analyze how poor governance and policy inconsistency have contributed to these economic challenges?

(Ans).

Outline.

1. Introduction.
2. Root causes of Inflation
   a) Low industrial output.
   b) Heavy reliance on import.
   c) Low export rate.
   d) Indirect taxation.
3. Root causes of unemployment.

a). Energy crisis.
b). Low Industrialization.
c). Education and Skills gap.

4. Poor Governance and Policy inconsistency contribute inflation and unemployment.

a). Poor governance leads to low investment in industrial sector.
b). Policy inconsistency leads to high inflation rate.

5. Wayforwards.
6. conclusion.

(Answer to the Quest)

• Introduction.

Pakistan has been experiencing many challenges

Since its inception. Its economy has been declining due to high inflation rate, unemployment, energy crisis, huge brain drain which in turn due to political instability, poor governance and policy inconsistency. Pakistan's economic system can be improved by improving governance, regular policy making and by increasing export rate.

• Root causes of Inflation.

Inflation rate is very high in Pakistan currently due to energy crisis, Russia - Ukraine War, Pakistan and Afghanistan War, low productivity and heavy realiance on import of goods. Indirect taxation on Products may also causes Spike in prices which leads to inflation rate.

• Case in Point:-

Pakistan's inflation rate is 6.24% in oct 2025, according to Pakistan Bureau of Statistics (PBS).

• Root causes of unemployment :-

In Pakistan unemployment rate is very high specially, among youth. There are many causes of unemployment in Pakistan including energy crisis, due to energy crisis many industries are not working Which results in low industrialization Which leads to unemployment, Educational quality is not good in Pakistan, there is a huge gap between education and market demanded skills. Skill deficit may decrease employment opportunities. Pakistan needs large no. of job creation because of large population size.

• Case Study.

Overall unemployment rate in Pakistan is 5.6 – 6% according to latest offical date.

• Poor Governance and policy Inconsistency Leads to Inflation and unemployment.

In Pakistan, weak governance and Policy inconsistency may cause economic challenges, unemployment and high inflation rate. Due to weak management and Political instability, People may not invest in a country due to trust deficit. Poor governance and Policy inconsistency leads to weak foreign relations of Pakistan which effects trade relationship between the two countries. Low investment causes low industrialization and low productivity so we have to rely upon more imports in order to fulfill needs. Low industrialization leads to low employment rate.

5. Way Forwards.

In order to reduce unemployment rate and inflation rate Pakistani government should adopt the following strategies.

- Increase the number of industries.
- Improve research and methodologies in agricultural sector.
- Reduce reliance on imports and increase export rate.
- Government should reform policies according to the ~~dite~~ desire.

6. Conclusion.

Pakistan is, currently,

facing high inflation and unemployment rate due to poor governance and inconsistent policy making. unemployment and inflation can be reduce by increasing number of industries, ~~more~~ export rate and reduced reliance on import of products.

(Q3)

"Energy security is the backbone of economic growth". Role of alternative and renewable energy sources in addressing Pakistan's energy challenges and achieving sustainable development.

Outline.

1). Introduction.
2):- "Energy security is the backbone of economic growth."
3). Role of Renewable Energy Sources in addressing Pakistan's Energy Challenges and achiving Development.
   a). Solar energy
   b). Wind energy.
   c). Hydro energy.

4). conclusion.

• Introduction:-

Pakistan's economy is heavily dependent upon energy sources. Because working in industries depends on energy. In Pakistan, there are many energy crisis. Pakistan gets most of its energy through fossil fuels which are non-renewable energy sources. Pakistan has to spend most of the amount on buying fossil fuels for running its industries. Energy can also be produced by alternative means like through Sun, Wind and Water. These are ~~the~~ cheaper and renewable sources of energy.

• "Energy Security is the backbone of Economic Growth"

"Energy Security is the backbone of Economic Growth" is a famous sentence. GDP of any country heavily depends upon the use of energy sources. Pakistan mostly uses fossil fuels (coal, oil and natural gas) as an energy source. These are non-renewable. They causes air pollution and Pakistan spends most of the part of economy on buying fossil fuels. That why Pakistan's economy has been downfalling since its inception.

· Example:-.

current GDP of Pakistan is 2.6% to 3% according to world Bank of Pakistan.

· Role of ~~non~~-Renewable Sources in Addressing Economic Challenges and Development.

~~Non~~ Renewable energy sources include hydro, solar and wind. These are the chepest and renewable sources of energy. Pakistan must use Water, solar and wind energy in order to improve Pakistan's economic rate. If Pakistan improve its energy sources, industries will increase as a result high yield of products will produce, so there will be high export and low import rate. In this way Pakistan's economy will be improve.

Conclusion:-

Pakistan's economy is heavily rely on energy security. Industries run by energy. If there will be high energy prices automatically, there will be high inflation rate. Due to energy crisis less no. of industries will work consequently, less products will produce. So Pakistan should use alternative and re-newable sources of energy. So its economy can be improve.